



H.R. 4848 – TO EXTEND FOR ONE YEAR PARITY IN THE APPLICATION OF CERTAIN LIMITS TO MENTAL HEALTH BENEFITS, AND FOR OTHER PURPOSES

FLOOR SITUATION

H.R. 4848 is being considered on the House floor under suspension of the rules and will require a two-thirds majority vote for passage. This legislation was introduced by Representative Donald Payne (D-NJ) on December 19, 2007. The bill was referred to the House Committee on Energy and Commerce on December 19, 2007, but was never considered.

H.R. 4848 is expected to be considered on the House floor on February 6, 2008.

SUMMARY

H.R. 4848 extends current mental health parity laws through December 31, 2008.

The legislation requires Centers for Medicare and Medicaid Services to take the necessary steps to participate in the Federal Payment Levy program, and institutes an incremental payment schedule requiring:

- 50 percent of all payments to be processed through the program within one year of the enactment;
- 75 percent of all payments to be processed through the program within two years of the enactment;
- All payments processed through the program beginning no later than September 30, 2011.

**Note: The Federal Payment Levy System was implemented in July 2000 by the Internal Revenue Service (IRS). It allows the IRS to collect overdue taxes through a continuous levy on certain federal payments disbursed by the Financial Management Service, which currently include federal employee retirement annuities, certain Social Security benefits, and some federal salaries.*

Additionally, the bill stipulates that the Financial Management Service and the Internal Revenue Service are to provide assistance to the Centers for Medicare and Medicaid Services to ensure that the payment schedule described above is met by the deadlines specified.

The legislation requires that \$98 million be made available to the Physicians Assistance Quality Initiative Fund after October 1, 2008, and that \$212 million be made available to the Fund during or after 2013.

BACKGROUND

Mental health parity legislation was first introduced in 1992, and the Mental Health Parity Act (MHPA) of 1996 was the first federal parity law. The MHPA required partial parity by mandating only that annual and lifetime dollar limits in coverage for mental health treatment under group health plans offering mental health coverage be no less than that for physical illnesses. It also provided an exemption to employers with 50 or fewer employees. MHPA expires on December 31, 2008. About half of the states have passed laws requiring full parity for mental health coverage.

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LEGISLATIVE DIGEST

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